

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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AIR

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Chief, Foreign Division "M"

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Chief of Station, Karlsruhe

Termination

Project CADUCITY

1. This very promising penetration of the State Planning Commission came to an end when CADUCITY, on the morning of 3 July 1951, moved himself and his family to the U.S. Sector of Berlin. He did so without prior notification of his BOB case officer and thus faced us with an accomplished fact. The circumstances that led to this sudden decision to quit, in the light of unmistakable symptoms of a rapidly deteriorating morale observed at previous meetings, were not absolutely convincing. We had to consider the possibility that subject had cooked up a story to explain his sudden defection, rather than telling us quite openly that his nerves had given in. For that reason he was subjected to a relentless and thorough debriefing, leaving no doubt in his mind that we mistrusted him. The results of this debriefing, however, have satisfied us that he in fact had been playing straight with us all along and that his defection was brought about by circumstances over which he had no control. His defection coincided with the transfer of the case to a new case officer, [redacted]. It also coincided with the agent's imminent departure from Berlin for his summer vacation in a Baltic Sea coast resort.

2. According to CADUCITY, two officials of the State Planning Commission, previously unknown to him, paid him an unexpected visit on the morning of 2 July. They neither gave their names, nor did they explain their functions. Shortly before, the agent had been called to the phone by the receptionist of his section, Fraeulein FOESS, telling him that two gentleman would like to see him. As far as CADUCITY was concerned, this was sufficient legitimization for his giving the visitors all the information they demanded. When they entered his office, the agent was engaged in working on papers concerned with the so-called control figures of the production plan for 1951 and 1952. These papers he had borrowed from one KRAUSE who is Hauptsachbearbeiter for the allocation of labor in industry. One of the visitors queried CADUCITY in detail on the nature of his work. The agent explained to them that, based on documentary material pertaining to the 5 year plan, he was drawing up plans designed to raise the work norm. Next they wanted to know whether the material on his desk was all he was working with. This he denied, pointing out that he kept files in the steel safe in his office. Were those files in any way connected with work he had been commissioned to perform? CADUCITY answered in the affirmative, opened the safe, emptied it and read to the inspection team the titles of the files

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kept there. The two visitors were particularly interested in one of the files containing a directive issued by the State Planning Commission, to the heads of the three industrial ministries. This directive contained instructions pertaining to the political and economic planning for specific production branches and had been distributed to a limited number of high ranking officials of the Commission on the occasion of a conference in the office of Secretare of State LEUSCHNER. CADUCITY had been given a copy by a Frau SCHROEDER, in charge of a section concerned with industrial planning. Concerning this document CADUCITY was asked no further questions.

3. In the course of leafing through the files taken from the steel safe, the inspectors noticed a file containing sheets of paper with pencilled notes. Each of the three industrial ministries and each Hauptabteilung was represented by one sheet. On these sheets, in three vertical columns, CADUCITY had entered production figures and the complete nomenclature of the labor allocation plan. All the documents mentioned thus far could clearly be explained as coming within the purview of the agent's assigned functions. None of the documents, in other words, would have laid him open to the suspicion of retaining statistical material for purposes other than performing his job. There now follows CADUCITY's description of written material, put down on two large sheets, which he considered as palpably incriminating, because by no stretch of the imagination could they be considered as germane to the job at hand. They were pencilled excerpts from the above mentioned highly classified directive, dealing exclusively with technicological data such as research assignments in the chemical and biological production branches.

4. CADUCITY later claimed to have copied this material for the sole purpose of passing it on to us. He conceded not having told us about it before, nor to have ascertained whether we were likely to be interested, inasmuch as it had not been specifically included in his brief. He had, so his story runs, intended it as a surprise for us. He had, on the other hand, considered the directive so important that he felt it incumbent upon himself to go ahead without consulting us; despite the fact that at the time of a previous meeting with the case officer, the original document was already in his possession and his mind made up to copy it. The original directive had to be returned to his section chief, (fnu) LERCKE, upon the latter's imminent return from a summer vacation. Time was thus of the essence. CADUCITY was certain that his excerpts would be safe as long as he kept them in the safe. It never occurred to him that his safe would be officially rifled.

5. During our debriefing CADUCITY firmly stuck to his story and deeply resented our insinuation that it had been designed as a convenient alibi. He averred that it had been his intention to spirit the notes out of his office on his last working day before going on leave, viz Saturday 7 July, and to get in touch with his U.S. case officer the same day. In fact, and this lends some credence to his story, he had told us that he might require another meeting with the case officer on that day to turn over some files.

6. CADUCITY claims that his visitors, after taking a look at the file in question, asked him if he was not aware of the existing prohibition of copying classified material. His lame excuse was that he needed the material and that, after all, he had kept it in the steel safe, was obviously not well received. No further remarks were exchanged on the subject. The inspection team collected all his files, including the incriminating one, and told CADUCITY they were taking them along for further study. In answer to his question as to when the material

would be returned, he was told that he would be notified in the course of the next day. CADUCITY then escorted the two men to the reception room where, as he remembered it, they were required to sign out for the files.

7. CADUCITY returned home that evening un molested. In thinking over the events of the day, he grew increasingly restless. In his mind, the danger implicit in this occurrence began to assume ever larger proportions. He went to bed, lay awake all night, and at 3 AM the next morning made up his mind definitely to defect with his family. At no time, so he claims, did it occur to him to get in touch with his case officer. From his narration we inferred that his fear and panic had completely excluded reason. At any rate, when he contacted us the next morning at 10 AM, it was obviously too late to reverse the train of events. When we reprimanded CADUCITY for his arbitrary decision to defect, he claimed that he would have returned had we demanded that he do so. We considered this an ex post facto construction, which could not mitigate his offense.

8. In reviewing the case as presented by CADUCITY, we have come to the conclusion that his account of the circumstances leading to his defection is not necessarily improbable. At any rate, no elements in his story were so obviously concocted that one could say with a reasonable degree of certainty that he had been disloyal to us. He may have lacked discretion in mapping his course of action after the fat was in the fire, but we are loath to state in retrospect that had he consulted us, we would have advised him to stay on the job.

9. Our post mortem examination had a practical angle since subject, in the course of his work for BOB, had amassed a sizeable Westmark deposit on our books. Had we been satisfied that CADUCITY quit the job for no cogent reason whatever, a cancellation of his deposit would undoubtedly have been called for. However, the scales of evidence were weighted in his favor, and to deprive him of his savings would have inflicted severe hardship on him and his family. Consequently, we paid him, packed him on a military plane and shipped him to the Giessen Refugee Camp in the U.S. Zone of Germany, advising CIC that subject had been forced to flee the Soviet Zone when his espionage activities were detected. In the meantime, we have been advised that the agent and his family have been granted political asylum in Land Wurtemberg.

10. All our obligations vis a vis CADUCITY and his family have been discharged. He has no further claims against us, nor will he be in a position to get in touch with us.

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